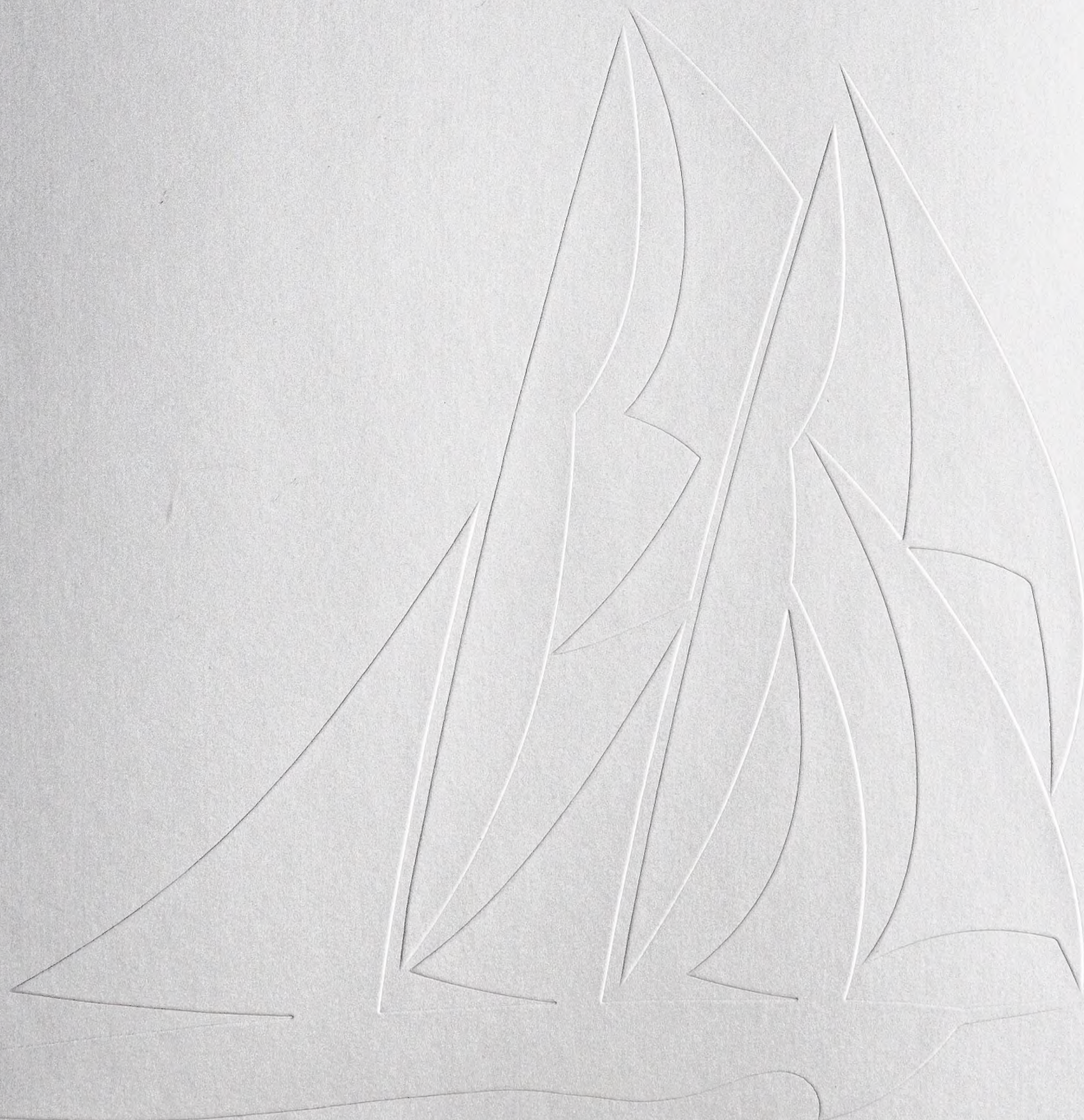


AR06

Maritime Life
Annual Report
1978





The **Maritime Life** Assurance Company
P.O. Box 1030,
Halifax, Nova Scotia,
B3J 2X5



President's Message

Nineteen seventy-eight was a record year for Maritime Life. Major accomplishments occurred in all areas of the Company, as the following report will indicate.

Individual Operations

Annualized premiums for Individual life insurance policies sold in 1978 were \$4,424,000, an increase of 68% over 1977. In addition, single premiums for life insurance of \$12,267,000 were 105% higher than in 1977.

Single premiums for annuity policies sold in 1978 were \$53,229,000, an increase of 150% over 1977. A variety of innovative, competitive products for both the deferred annuity and immediate annuity markets contributed to this remarkable increase.

Total revenue premium income from Individual operations in 1978 was \$73,856,000, an increase of 85% over the 1977 result of \$39,839,000.

During 1978, 11 new agencies entered into contracts with the Company in various cities across Canada. At year-end, the Company was associated with 51 General Agencies.

The Special Services Division continued to operate under the branch system of marketing, providing specialized insurance

counselling services to the Canadian Armed Forces. The Company maintains branch offices for this Division in Victoria, Ottawa, and Lahr, Germany.

Our Individual operations produced a profit of \$1,683,000 in 1978. In 1978, a change in the Canadian life insurance industry's accounting methods became effective, one of the consequences of which is that more of the high costs of writing new business can be amortized over the term of the policy.

To further strengthen the surplus of Maritime Life, our parent company, the John Hancock Mutual Life Insurance Company, contributed \$1,000,000 to surplus during the year.

The rapid rate of growth of new sales in the Spring of 1978 challenged the Company's administration. Numerous actions were taken to address the situation and by year-end, the Company was providing good service, with plans underway to raise this level of service to a "superior" standard in 1979.

Group Operations

Annualized premiums for new Group life and health insurance policies sold in 1978 were \$5,876,000, an increase of 24% over 1977 results. Annualized premiums for new Group pension policies were \$2,562,000, up 31% over 1977. In addition, single premiums of \$6,733,000 were paid by Group

policyholders. Total revenue premium income from Group operations was \$29,817,000 in 1978, up 37% from 1977.

Our Group department has developed a reputation for competitive rates and first class service to policyholders across Canada. Our rapid growth of new sales, and an unusually favourable rate of retention of existing business are evidence of the progress being made by this very important factor in our Company's long term plans.

Our Group operations experienced a profit of \$73,000 in 1978, which was consistent with our objectives. Our plans for rapid growth do not contemplate significant profits for the next few years while we are establishing a major presence in the Group market in Canada.

Investments

The Company's assets grew in 1978 to \$263,690,000, an increase of 59% over the previous year. While the majority of these new funds were invested in mortgages on multiple-unit residential projects, a significant growth took place in our bond holdings.

The net rate of return on the Company's invested funds rose to 10.29% from 9.58% in 1977. This very high rate plays an important part in the Company's design of attractive, competitive products for Canadians.

Human Resources

At the end of 1978, the Company employed 304 salaried employees, and 380 agents were under contract. As the Company considers its Corporate Plan for the next five years, it becomes evident that there will be a strong demand for people in all areas of the Company. In fact, the acquisition, training and development of sufficient people becomes the major challenge for the immediate future.

Current evidence of our training commitment is the involvement of employees in Life Office Management Association, Health Insurance Association of America, International Claims Association, Actuarial, Accounting, supervisory and management courses. Out of 304 salaried employees, 27 now hold the designation "Fellow of the Life Management Institute" and 9 have passed five or more actuarial examinations.

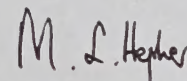
Senior Management

Mr. J.B. Prince, Vice President, elected early retirement from the Company in 1978. He joined Maritime Life in 1955 as a Branch Manager and after a successful career in the field, had become a member of the Head Office management team in 1973. I wish to record our appreciation to Mr. Prince for the outstanding contribution he made to our success. He is succeeded as Vice President and Director of Agencies by Mr. Norman A. Foran.

Also in 1978, Mr. N. Jeffrey Gillan, F.L.M.I., joined the Company with senior management responsibilities for administration in our Individual operations.

Maritime Life has embarked on an ambitious growth program which will see the Company's assets surpass \$1,000,000,000 by 1983. The key to our past success has been responsiveness to needs which we have filled in innovative ways. We fully intend to maintain this philosophy in the years ahead.

I would like to express sincere thanks to each of the 700 people associated with the Company who have made the extra effort to bring us to where we are today.



M.L. Hepher
President and Chief Executive Officer

February 22, 1979



Maritime Life believes the General Agency System of marketing provides the highest level of service for both the policyholder and the agent. The Company is one of the few life insurance companies to market its products almost exclusively through independent life insurance agencies and has been fortunate to attract some

of the highest calibre life insurance agents in the country. These highly successful agents bring a consistent degree of professionalism to the process of selling life insurance.

“other more adventurous firms, most visibly Maritime Life . . .”

Financial Post Magazine
 Richard Osler,
 February 1, 1978

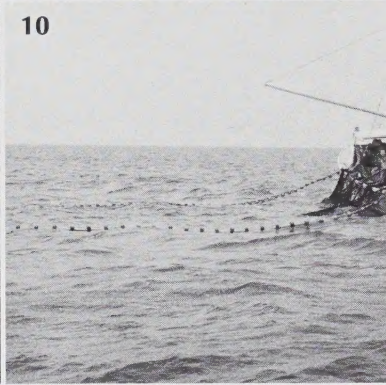
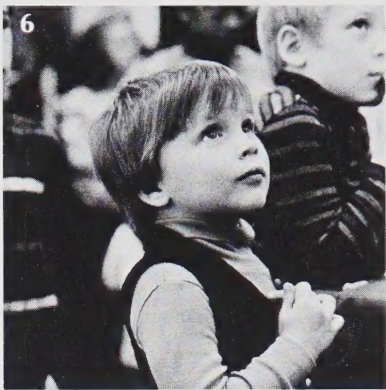


1. General Agent Bill Herscovitch, Herscovitch-Rubinger Associates Ltd., Montreal.
2. John McRoberts, Regional Marketing Director — Metropolitan Toronto.
3. Maritime Life President Michael Hepher and Cedric Ritchie, Chairman of the Board, Bank of Nova Scotia view a joint Maritime Life/Bank of Nova Scotia program.
4. General Agent Roland Dubeau, Sainte Foy, Quebec.
5. General Agent Eddie Harper, (left) E.M. Harper & Company Ltd., Halifax discussing Maritime Life's new rate manual with general agent, Doug Francis.

Highlights	1977	1978	% change
Number of contracted General Agencies	43	51	19%
Number of contracted Agents	264	380	44%
Number of Individual Policyholders	61,309	69,977	14%
New Individual Premium Income	\$29,977,000	\$63,396,000	112%
Total Individual Premium Income	\$39,839,000	\$73,856,000	85%

In addition to the Company's unique distribution system, a key factor in Maritime Life's phenomenal growth and success has been the development of highly competitive, innovative products which are based on higher-yielding, short-term investments, current interest rates, mortality and expense levels.

Maritime Life also successfully markets traditional whole life, term and other policies.



6-10 The growth in Individual sales in 1978 was well distributed across the country by region and by product.

11. Maritime Life is the largest supplier of life insurance products to Canadian Armed Forces personnel and maintains offices near CAF bases in Canada and Europe.

Sales, claims, underwriting, and accounting administration; it all comes down to service and Maritime Life is proud of its record of outstanding Group service in all areas of the operation.

"If your company is in the market for a new insurer for Group life insurance, you will probably

hear from . . . The Maritime Life Assurance Company"

Financial Post
October 28, 1978.

1

What's Maritime Life doing in Vancouver?

Plenty.


The same as we're doing in Halifax, Montreal, Toronto and Edmonton. We're offering a complete range of comprehensive employee benefit programs including full claims service.

The opening of our new Vancouver Group claims facility not only gives Maritime Life coast to coast claims service, it reinforces our commitment to becoming one of the biggest group insurers in Canada. And we're well on our way. From 1972 to 1977, our total group premium income grew at a rate of 40 percent compounded annually. 1978 is shaping up along the same lines.

What's the reason for this growth? We're service minded and we're innovative. Our Underwriting department takes its responsibility to help sales seriously. The introduction of new group plans, tailored to clients' needs and situations, have been extremely well received. And our detailed work flow controls guarantee the highest possible degree of client service.

We've earned a reputation for fair, fast, high-quality service. We would not have it any other way. That's why we are now serving more than 730 companies and organizations, representing over 130,000 Canadians coast to coast.

We would welcome the opportunity to discuss how Maritime Life can provide the kind of group benefit service you have been looking for. Please call us.

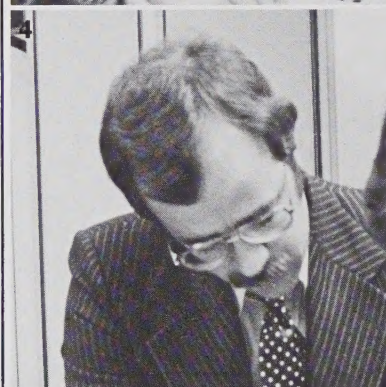
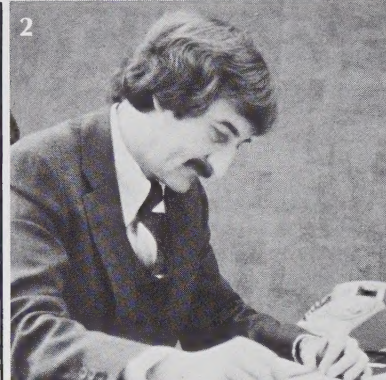


The Maritime Life Assurance Company
Head Office: 2701 Dutch Village Road, P.O. Box 1030, Halifax, N.S., B3J 2X5, Ph. (902) 455-0481

Group Sales and Claims Offices coast to coast

Halifax Bob Rudderham, Group Sales Manager 902-423-8205	Edmonton Randy Stinson, Group Sales Manager 403-428-6681	Montreal Lynette Kato, Group Sales Manager 514-288-9014	Toronto David Wilkins, Group Sales Manager 416-425-5880
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Vancouver
Dave Wilkins, Group Sales Manager
604-732-8711



1. Maritime Life Group sales and claims offices are now located in Vancouver, Edmonton, Toronto, Montreal and Halifax.

2. Randy Stinson, Regional Group Manager — Western Canada.

3. Dave Wilkins, Manager, Group Sales — Ontario.

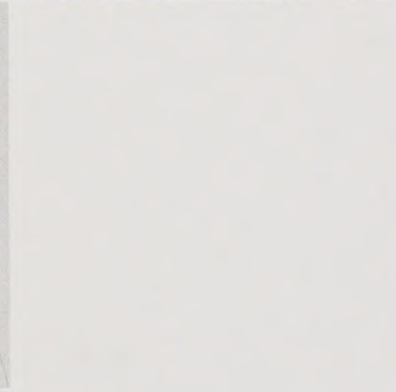
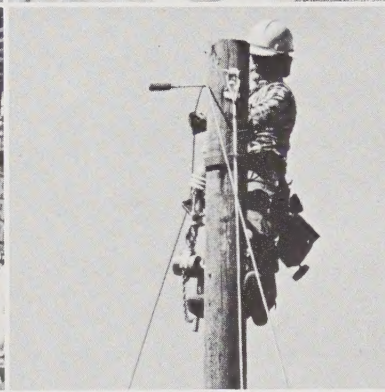
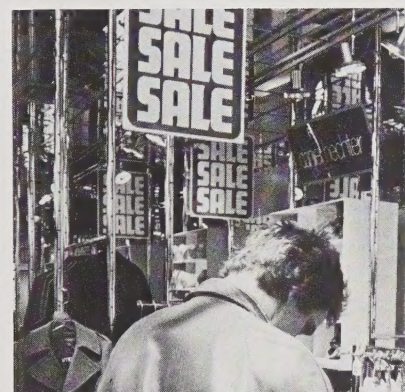
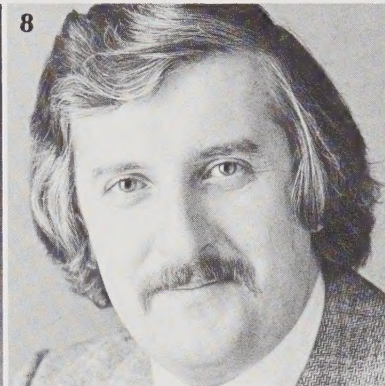
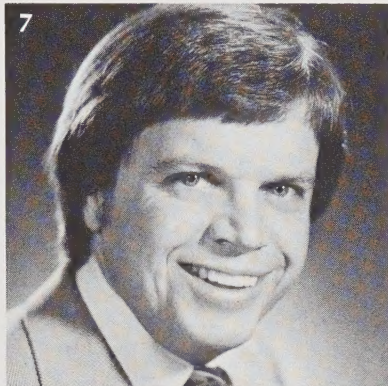
4. Bob Rudderham, Manager, Group Sales — Atlantic Provinces.



Highlights	1977	1978	% change
New annualized Premium Income — (Group Life and Health Insurance)	\$ 4,732,000	\$ 5,876,000	24%
New annualized Premium Income — (Group Pension)	\$ 1,952,000	\$ 2,562,000	31%
Total Group Premium Income —	\$21,767,000	\$29,817,000	37%

Maritime Life's "tailor-made" Group plans provide benefits for employees in large and small industries across the country. With a commitment to superior, personal service, Maritime Life has been able to attract some of the most sizeable cases in the Group marketplace.

Maritime Life is committed to becoming one of the largest Group insurers in Canada.



7. Dave Barluk, Manager, Group Sales — British Columbia.

8. Las Kato, Manager, Group Sales — Quebec.

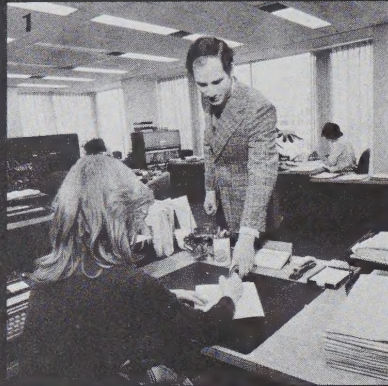


“... the unexpected surge of new business this year challenged our administration.

I am pleased and proud to tell you that the management and staff ... have responded in outstanding style”

Michael Hephner,
President's Report to the
Board of Directors,
November 30, 1978.

1. Terry Zive, Manager, Client Services Department, and Sylvia Halassy, Policy Benefits.



2. Cathy White, Word Processing.



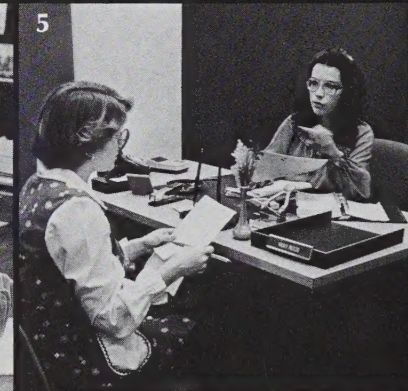
3. Mary Holmes, Agency Comptroller, John Munro, Manager, Agency Department, Karen Henderson, Supervisor, Agency Department.



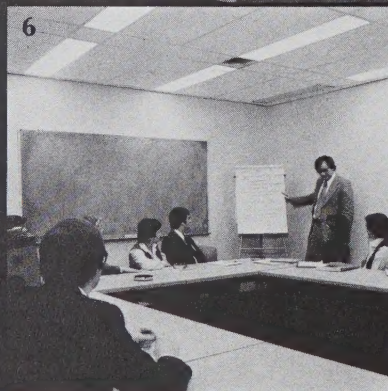
4. Tanyss Malabar, Manager, Group Claims Field Offices.



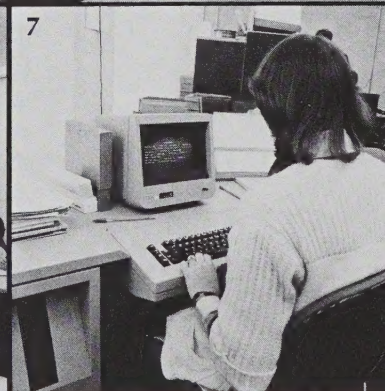
5. Melody Northfield, Supervisor, Policy Benefits (left) and Vicky Reede, Supervisor, Registrations, Changes and Revivals.



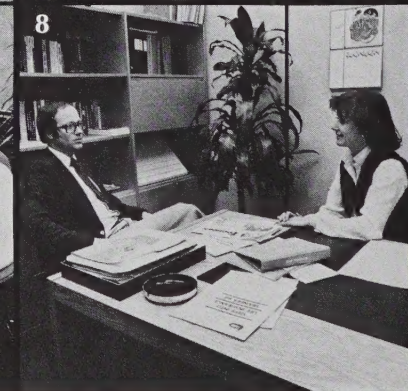
6. Paul Lynch, Corporate Trainer.



7. Heather Hubbard, Communication Services.



8. Harrison Robbins, Operations Auditor and Judy Fraser, Supervisor, Personnel Services Department.



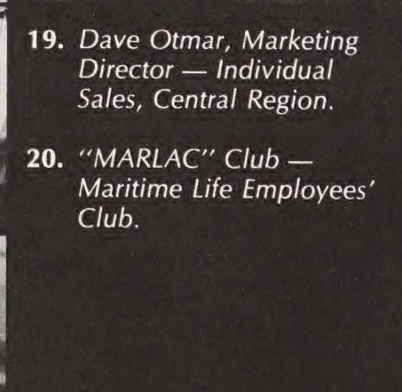
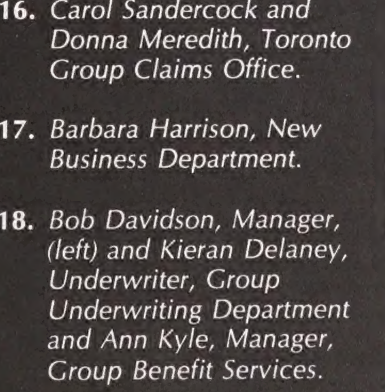
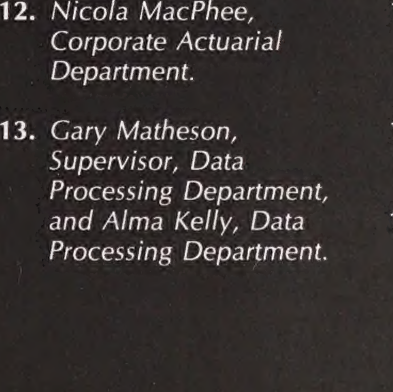
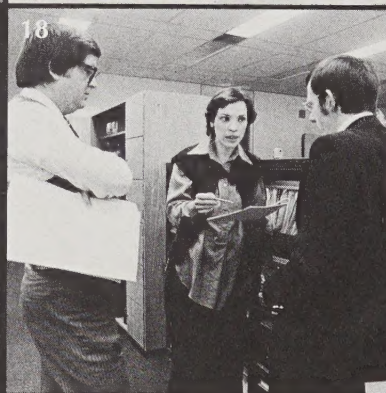
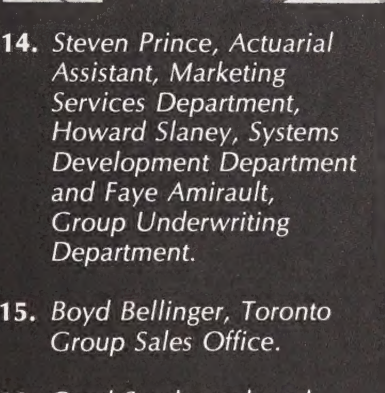
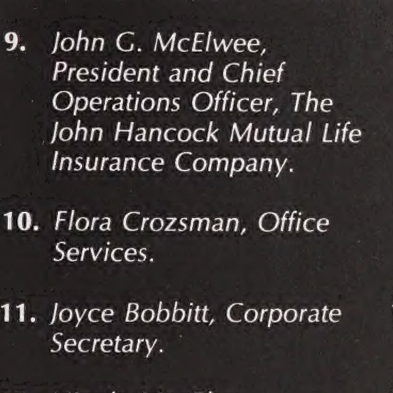
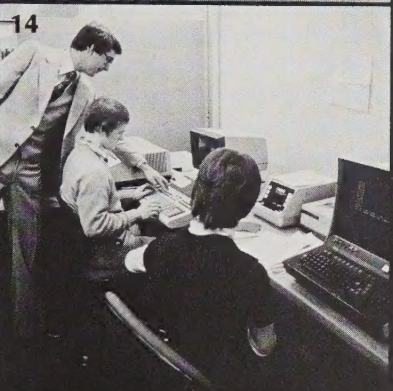
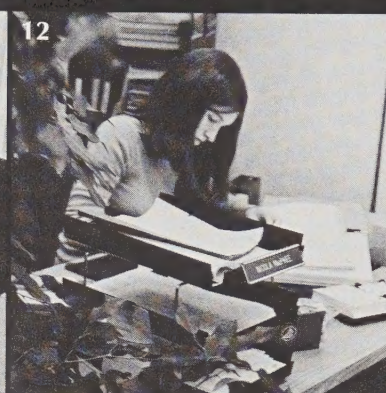
Highlights	1977	1978	% change
Number of salaried employees	260	304	17%
Number of employees in Company sponsored training programs	187	259	39%
Individual policy benefits paid	\$ 6,491,000	\$ 8,741,000	35%
Group policy benefits paid	\$10,458,000	\$14,191,000	36%



**"This company
has shown it is
able to attract
people with
higher levels**

**of ability and
very positive
orientation"**

John G. McElwee, President
and Chief Operations Officer,
The John Hancock Mutual
Life Insurance Company
August 17, 1978



9. John G. McElwee, President and Chief Operations Officer, The John Hancock Mutual Life Insurance Company.

10. Flora Crozsmán, Office Services.

11. Joyce Bobbitt, Corporate Secretary.

12. Nicola MacPhee, Corporate Actuarial Department.

13. Gary Matheson, Supervisor, Data Processing Department, and Alma Kelly, Data Processing Department.

14. Steven Prince, Actuarial Assistant, Marketing Services Department, Howard Slaney, Systems Development Department and Faye Amirault, Group Underwriting Department.

15. Boyd Bellinger, Toronto Group Sales Office.

16. Carol Sandercock and Donna Meredith, Toronto Group Claims Office.

17. Barbara Harrison, New Business Department.

18. Bob Davidson, Manager, (left) and Kieran Delaney, Underwriter, Group Underwriting Department and Ann Kyle, Manager, Group Benefit Services.

19. Dave Otmar, Marketing Director — Individual Sales, Central Region.

20. "MARLAC" Club — Maritime Life Employees' Club.

Maritime Life's rapid growth in assets has fully challenged the Company's investment operations and permitted a wide range of investment activity.

The Company's national distribution of mortgage investments (every province in Canada and the North West Territories) is based on Maritime Life's philosophy that money should be invested in that part of the country that it came from.

Maritime Life assets have been growing at a 50% rate in each of the past three years.

In 1978 Maritime Life assets grew at a rate of \$1.9 million per week.

The net rate of return on the company's invested funds rose to 10.29% in 1978, one of the highest rates of return in the industry.

"Maritime Life sets goal of \$1 billion assets"

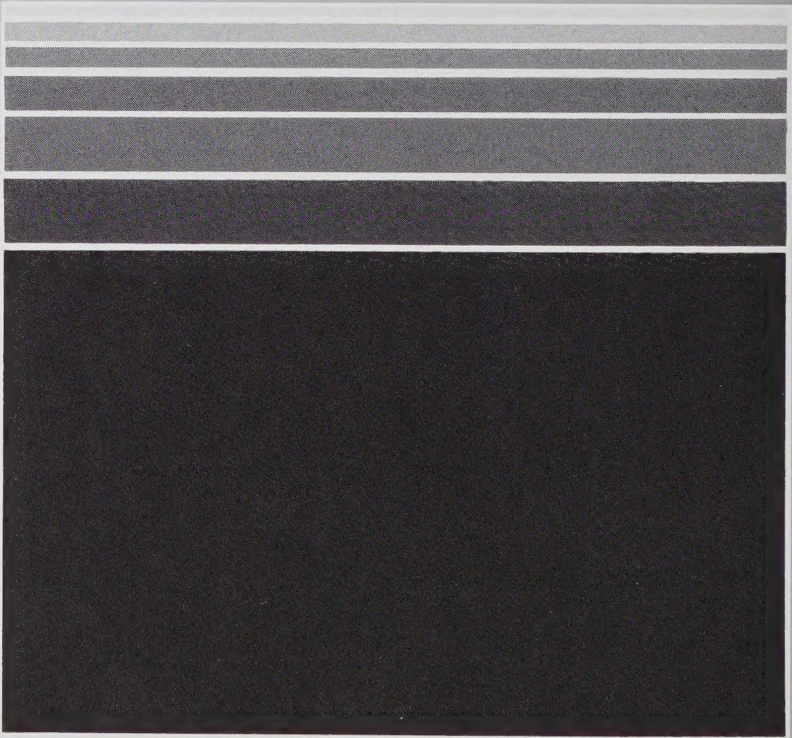
Toronto Globe and Mail, Report on Business, Lawrence Welsh, December 9, 1978



Distribution of assets: 1978

Real Estate	1%
Stocks	2
Misc. Assets	3
Policy Loans	5
Segregated Funds	8
Bonds	10

Mortgages — 71



"Maritime Life cuts a strong swathe "

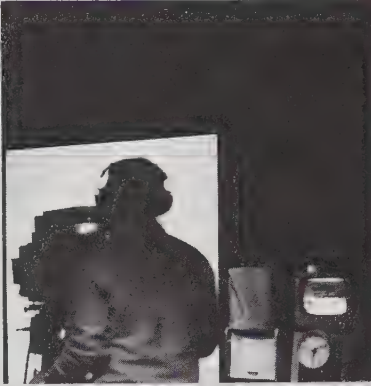
Halifax Chronicle Herald, Financial News, February 14, 1978

"the fastest-growing most unconventional insurance company in the country"

Macleans Magazine, January 1, 1978

"Do you think that Maritime Life's ... plans ... are the way of the future?"

Don Harron, CBC Morningside, March 1978



"... the new product is called adjustable single premium whole life insurance. Marketed by ... Maritime Life of Halifax "

Lynn MacFarlane, CBC Radio, April 1978



"Maritime, a sassy firm ... has grown at an astonishing rate "

Richard Osler, The Financial Post, April 22, 1978



"A policy for the future. Adjustable single premium whole life: why rent if you can buy outright?"

Ron Blunn, Financial Times, February 20, 1978



"Maritime sales hoisted over yard arm "

Life Insurance in Canada, February 1978

"Maritime Life envisages big gains in premium income in both its group and individual business "

Lawrence Welsh, Globe and Mail, Report on Business, December 9, 1978

Balance Sheet

The Maritime Life
Assurance Company

As at December 31, 1978
(in thousands of dollars)

Assets	1978	1977
Bonds (note 3)	\$ 25,688	\$ 19,069
Stocks (note 4)	5,154	3,234
Guaranteed investment certificates	81	93
Segregated investment fund assets	22,184	15,442
Mortgage loans (note 5)	186,896	109,280
Real estate	2,824	2,823
Policy loans	11,816	8,601
Cash	1,703	448
Investment income, due and accrued	3,785	2,526
Outstanding premiums	2,855	2,631
Investment in associated company	206	220
Other assets	498	863
	<u>\$263,690</u>	<u>\$165,230</u>

Liabilities

Actuarial liabilities (note 6)		
Provision for future benefits	\$179,627	\$ 98,993
Provision for experience rating refunds	6,076	4,940
Provision for dividends	756	672
Outstanding and unreported claims	11,651	9,442
Segregated investment fund liabilities	22,184	15,442
	<u>220,294</u>	<u>129,489</u>
Amounts left on deposit	3,747	3,541
Bank advances	5,015	4,298
Cheques in process	5,695	1,702
Other liabilities	8,861	8,878
	<u>243,612</u>	<u>147,908</u>

Capital Stock and Surplus

Capital Stock		
Authorized		
200,000 Shares of \$5 par value		
Issued		
189,294 Shares	946	946

Surplus

Appropriated	7,891	5,293
Unappropriated	11,241	11,083
	<u>20,078</u>	<u>17,322</u>
	<u>\$263,690</u>	<u>\$165,230</u>

Signed on behalf of the Board
R.G. Smith, Chairman of the Board

M.L. Hepher, President and
Chief Executive Officer

Statement of Operations

The Maritime Life
Assurance Company

Year Ended December 31, 1978
(in thousands of dollars)

Income	1978
Premiums	\$103,728
Consideration for settlement annuities	836
Investment income	20,070
Market value adjustments on segregated investment fund assets	3,552
	<u>128,186</u>

Disposition of income

Policy benefits	25,121
Provision for future policy benefits	80,231
Experience rating refunds	2,374
Dividends to policyholders	721
Interest items and pension funds	523
Expenses, commissions and taxes	17,460
	<u>126,430</u>

Net Income For The Year \$ 1,756

Company Growth

(in thousands of dollars)

	1975	1976	1977	1978
Total Premium Income				
Group	\$12,295	\$ 15,822	\$ 21,767	\$ 29,817
Individual	\$18,000	\$ 27,633	\$ 39,839	\$ 73,856
Total Assets	\$80,844	\$110,728	\$165,230	\$263,690

Statement of Appropriated Surplus

Year Ended December 31, 1978
(in thousands of dollars)

	Reserve for fluctuation in value of investments	Reserve for current policy values in excess of actuarial liabilities	Reserve for other assets	Total
Balance at beginning of year As previously stated	\$1,600			\$1,600
Transfer from unappropriated surplus (note 6)		\$3,693		3,693
As restated	1,600	3,693		5,293
Transfer from unappropriated surplus	1,507	649	\$ 442	2,598
Balance At End of Year	<u>\$3,107</u>	<u>\$4,342</u>	<u>\$ 442</u>	<u>\$7,891</u>

Statement of Unappropriated Surplus

Year Ended December 31, 1978
(in thousands of dollars)

Unappropriated surplus at beginning of year As previously stated				\$ 4,521
Add prior period adjustments related to changes in accounting practice (note 1)				
Transfer from actuarial liability for insurance and annuity contracts			\$10,080	
Non-admitted assets previously written off			383	
Transfer to appropriated surplus				
Reserve for current policy values in excess of actuarial liabilities			(3,693)	
Depreciation			(208)	6,562
As restated				11,083
Add				
Net income for the year			1,756	
Contribution from parent			1,000	2,756
				13,839
Deduct transfers to appropriated surplus				
Reserve for fluctuation in value of investments			1,507	
Reserve for current policy values in excess of actuarial liabilities			649	
Reserve for other assets			442	2,598
Unappropriated Surplus at End of Year				<u>\$11,241</u>

The Notes to Financial Statements overleaf are an integral part of these financial statements.

Notes To Financial Statements

The Maritime Life
Assurance Company

Year Ended December 31, 1978

1. Financial Statement Presentation

The company is registered under the Canadian and British Insurance Companies Act and that Act governs its financial reporting. Financial statement presentation has been changed to comply with recent amendments to this Act and the Regulations thereunder. The major amendments deal with the determination of investment income, valuation of certain major classes of assets, and the determination of actuarial liabilities for insurance and annuity contracts. The 1977 comparative figures in the balance sheet have been restated to conform with the basis adopted for 1978. However, it was not practical to restate the 1977 comparative figures for the statements of operations and unappropriated surplus on this basis and the previous presentation would not provide a meaningful comparison. Therefore, these statements are presented in a noncomparative format. Further information is given in the notes which follow.

2. Accounting Policies

The accompanying financial statements have been prepared in accordance with the requirements of, or as permitted by, the Department of Insurance of Canada which administers the Canadian and British Insurance Companies Act.

(a) Bonds

Investments in bonds are carried at amortized cost plus or minus the unamortized

balance of losses or gains on sales since January 1, 1978 of such securities. The difference between the proceeds on the sale of a bond and its amortized cost is considered to be an adjustment of future portfolio yield, deferred on the balance sheet and amortized over the period to maturity of the security sold.

(b) Stocks

Investments in stocks are carried at cost plus an adjustment representing the unamortized portion of realized gains or losses on the sale of stocks since January 1, 1978 and an adjustment toward market value representing a portion of the difference between cost and the market value of the stock portfolio.

The unamortized portion of realized gains or losses on the sale of stocks since January 1, 1978 and the difference between book value (cost plus prior adjustments toward market value) and market value is taken into income annually at the rate of seven percent.

(c) Mortgage loans

Investments in mortgage loans are carried at amortized cost plus or minus the unamortized balance of losses or gains on sales of such mortgages. The difference between the proceeds on the sale of a mortgage loan and its amortized cost is considered to be an adjustment of future portfolio yield, deferred on the balance

sheet and amortized over the period to maturity of the mortgages sold.

(d) Policy loans

Policy loans are carried at their unpaid balance and are fully secured by the cash surrender values of the policies against which the respective loans were made.

(e) Real estate

Real estate is valued at cost less accumulated depreciation. Depreciation is calculated at two and one-half percent per annum on the straight-line basis.

(f) Segregated investment fund assets

Segregated investment fund assets are carried at market value.

(g) Other assets

Other assets include furniture and equipment valued at cost less accumulated depreciation. Depreciation is provided using the declining-balance method at an annual rate of twenty percent.

(h) Investment in associated company

The investment in the associated company, Maritime Life (Caribbean) Ltd. is carried at cost.

(i) Income taxes

Income taxes, when applicable, are accounted for using the taxes payable method. This method does not take into account any deferral of income taxes resulting from timing differences in the measurement of income for income tax purposes.

(j) Actuarial liabilities

Actuarial liabilities are the amounts which, together with future premiums and investment income, provide for future obligations for insurance and annuity contracts. The "1978 Canadian Method of Valuation" is used in the determination of actuarial liabilities for insurance and annuity contracts. Within certain limits, this method spreads the cost of acquiring new business over the premium paying period and requires that actuarial assumptions of interest, mortality, expenses, withdrawal and other contingencies are appropriate to the contracts in force.

(k) Reserve for current policy values in excess of actuarial liabilities

When calculating the actuarial liabilities as outlined in (j) above, certain contracts result in a negative actuarial liability or an actuarial liability that is lower than the cash surrender value of the contract. When this occurs, an amount equal to the negative actuarial liability or the difference between the actuarial liability and the cash surrender value is transferred from unappropriated surplus to appropriated surplus as a reserve for current policy values in excess of actuarial liabilities. When any portion of this reserve is no longer required, it is returned to unappropriated surplus.

Certificate of the Valuation Actuary

Auditors' Report

3. Bonds

The value of bonds at December 31, 1978 includes \$123,000 (nil in 1977) of unamortized losses on sales.

4. Stocks

The value of stocks includes an adjustment of \$2,000 (nil in 1977) to reflect realized and unrealized gains.

5. Mortgage Loans

The value of mortgage loans at December 31, 1978 includes \$179,000 (\$150,000 in 1977) of unamortized gains on sales.

6. Actuarial Liabilities

The use of the "1978 Canadian Method of Valuation" for the determination of actuarial liabilities for insurance and annuity contracts in force at December 31, 1977 results in a decrease in such liabilities of \$10,080,000. Of this amount, \$3,693,000 has been transferred to appropriated surplus as a reserve for current policy values in excess of actuarial liabilities and \$6,387,000 to unappropriated surplus.

7. Reserve For Fluctuation in Value of Investments

As at December 31, 1978, the reserve for fluctuation in value of investments, as reported in the statement of appropriated surplus, equals the minimum reserve required by the Department of Insurance of Canada.

I have made the valuation of actuarial liabilities of The Maritime Life Assurance Company for its balance sheet at December 31, 1978 and its income statement for the year then ended. I hereby certify that the sum of \$201,811,000 shown in that balance sheet as the actuarial reserve for insurance, annuity and accident and sickness benefit contracts in force (including liabilities of \$22,184,000 in respect of variable benefits), is not less than the reserves required by the provisions of the Canadian and British Insurance Companies Act. The further reserves of \$10,482,000 for unreported death and accident and sickness claims (including the present value of installments not yet due under accident and sickness claims), and the provision of \$1,169,000 in respect of outstanding claims under insurance, annuity and accident and sickness contracts and \$6,076,000 in respect of experience rating refunds on group contracts have been calculated using assumptions that are adequate and appropriate.

In my opinion:

(i) the valuation conforms to the recommendations for insurance company financial reporting of the Canadian Institute of Actuaries,

(ii) the amount of the actuarial liabilities makes proper provision for the obligations payable in the future under the company's policies, and

(iii) the charge of \$87,376,000 made in the income statement on account of these liabilities (including \$7,145,000 in respect of transfer of reserves under reinsurance arrangements) is a proper charge.

Brian L. Burnell, F.C.I.A.,
F.I.A., A.S.A.

Halifax, Canada
February 14, 1979

To the Shareholders and Policyholders of The Maritime Life Assurance Company

We have examined the balance sheet of The Maritime Life Assurance Company as at December 31, 1978, and the statements of operations, appropriated surplus and unappropriated surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances; the reserves under policy contracts were determined and certified by the Company's Valuation Actuary.

In our opinion, based on our examination and the certificate of the Valuation Actuary, these financial statements present fairly the financial position of the Company as at December 31, 1978 and the results of its operations for the year then ended in accordance with accounting principles prescribed or accepted by the Department of Insurance of Canada applied, except for the changes in accounting practice referred to in note 1 to the financial statements, on a basis consistent with that of the preceding year.

Halifax, Canada
February 15, 1979

Thorne Riddell & Co.
Chartered Accountants

The Field Organization

NEWFOUNDLAND

Corner Brook

George Rideout & Associates Limited
(709) 639-9237

Western Insurance Services Limited
(709) 634-3262

St. John's

Dave Molloy
Regional Marketing Director,
Individual Sales-
Atlantic Canada
(709) 579-2133

Dunphy Molloy & Associates Limited
(709) 579-2056
(709) 579-2134

PRINCE EDWARD ISLAND

Charlottetown

Service Office
(902) 894-8626

NOVA SCOTIA

Halifax

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Atlantic Provinces
(902) 423-8305

E.M. Harper
Company Limited
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Kentville

C.G. Mooy & Associates Limited
(902) 678-3850

New Glasgow

Fraser & Hoyt
Insurance Limited
(902) 752-8451

J.H. Fraser & Associates Limited
(902) 752-3510

Sydney

Enver Sampson & Associates Limited
(902) 539-8435 (6)

NEW BRUNSWICK

Fredericton

W.K. Webb & Associates Limited
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Moncton

Ron Goguen & Associates Limited
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QUEBEC

Montreal

Las Kato
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Assurlife Insurance
Agencies Limited
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Barkovich-Levin & Associates
Company Limited
(514) 849-2265

Charney-Miller
Associates Limited
(514) 731-3407

Diamond & Tucker Limited
(514) 285-1802

Dubreuil, Lefebvre, Roy Inc.
(514) 288-1204

J.A. Lyone Heppner & Associates Limited
(514) 861-8504

Herscovitch-Rubinger
Associates Limited
(514) 481-0103

Eddie Lieu & Associates Limited
(514) 842-9036
Manuel Smith Life Insurance Agency
(514) 341-3531
Weiser Insurance Services Inc.
(514) 332-5440

Quebec City

Roland Dubeau et Associés Limitée
(418) 651-8046

ONTARIO

London

P. Johnston Investment Planning and Insurance Agencies Limited
(519) 471-0390
The Marilife Insurance Agency Inc.
(519) 434-6325

Ottawa

Al Ladouceur
Divisional Manager
Special Services Division -
Eastern Canada
(613) 236-9906

Castlebeau Insurance
Agencies Limited
(613) 236-8822

J.H. Hogg Associates Insurance Agency Inc.
(613) 224-0222

Perth

Balanced Planning Insurance Agency Limited
(613) 267-1345

Toronto

Tanyss Malabar
Manager, Group Claims
Field Offices
(416) 425-5885
John McRoberts
Regional Marketing Director,
Individual Sales -
Metropolitan Toronto
(416) 488-2981

Dave Wilkins
Manager, Group Sales -
Ontario
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Academy Insurance
Agency Limited
(416) 441-2262

Advisory Insurance
Agencies Limited
(416) 863-0253

Annuity Quotations and Insurance Agencies Limited
(416) 363-4995

Bondco Insurance
Agency Limited
(416) 224-2484

Brokers' Life Insurance
Agencies Limited
(416) 487-2157

Dawson, Lepofsky, Goldner Insurance Agencies Limited
(416) 922-3115

Dickstein Insurance
Agencies Limited
(416) 487-2488

Masters of Business
Assurance Agency Inc.
(416) 425-6331

Pottruff & Smith Insurance
Agencies Limited
(416) 746-0880

Wharton & Baird Insurance
Agencies Limited
(416) 689-7349

Waterloo

Venhuizen Insurance
Agencies Limited
(519) 884-3360

Windsor

J.A. Scholtes & Associates Insurance Agencies Limited
(519) 258-7333

MANITOBA

Winnipeg

CAS Insurance Marketing
Services Limited
(204) 943-8425
Harvard Insurance Agencies
(204) 944-9911
Variable Insured Planning
(204) 943-1944
(204) 832-3424

SASKATCHEWAN

Regina

Halmac & Associates
Underwriters Limited
(306) 525-2789

Saskatoon

Plains Insurance Limited
(306) 373-6677

ALBERTA

Calgary

Cabot Assurance
Management Limited
(403) 245-1135
Prairie Pacific
Insurance Limited
(403) 261-0907

Edmonton

Randy Stinson
Regional Group Manager -
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Personal Investment
Portfolio Limited
(403) 482-3008
Tozer, Marquardt and Bleau
Insurance Consultants Limited
(403) 433-2481

BRITISH COLUMBIA

Abbotsford

Aaron Insurance
Agencies Limited
(604) 859-2811

Burnaby

Creative Insurance Marketing
Limited
(604) 294-2355
(604) 294-3549

Nelson

J.K. Sloan &
Associates Limited
(604) 352-5502

Vancouver

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Manager, Group Sales -
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Dan Schindle
Regional Marketing Director,
Individual Sales - Western
Canada
(604) 732-1387

Life Associates Annuity &
Insurance Services Limited
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Pacific Rim Financial
Analyses Inc.
(604) 682-6601

Victoria

W.H. Barber &
Company Limited
(604) 479-9144
Warren Sawyer
Divisional Manager
Special Services Division -
Western Canada
(604) 384-1184 (5)

OVERSEAS

Lahr, Germany

Brian Davidson
Divisional Manager
Special Services Division -
Overseas
07821-43022

Associated Company

Maritime Life
(Caribbean) Limited
50 Gordon Street
Port of Spain
Trinidad, W. I.

The Management Team

M.L. Hepher, FIA, FCIA, ASA **President and Chief Executive Officer**

J.A. Bobbitt, FLMI
Corporate Secretary

A.H. Robbins, C.A.
Operations Auditor

J.S. Allison **Director of Group Sales**

P.D. Barluk
Manager, Group Sales
British Columbia

L. Kato
Manager, Group Sales
Quebec

R.D. Rudderham
Manager, Group Sales
Atlantic Provinces

R.W. Stinson
Regional Group Manager
Western Canada

D.A. Wilkins
Manager, Group Sales
Ontario

W.A. Black, FSA, FCIA **Director of Group Operations**

C.M. Bowie, FLMI
Manager, Group Administration

J.A. Creighton, FSA, FCIA
Manager, Group Pensions

R.W. Davidson
Manager, Group Underwriting

A.M. Kyle
Manager, Group
Benefit Services

T.L. Malabar
Manager, Group Claims
Field Offices

P.J. Pothier, FSA, FCIA, FLMI
Assistant Actuary –
Group Insurance

N.A. Foran **Vice President and Director of Agencies**

B.I. Davidson
Divisional Manager
Special Services Division
Overseas

A.M. Holmes, FLMI
Agency Comptroller

A.R. Ladouceur
Divisional Manager and
Director of Training
Special Services Division
Eastern Canada

J.M. McRoberts
Regional Marketing Director –
Individual Sales
Metropolitan Toronto

T.M. Moffatt, ASA, FLMI
Manager, Marketing Services

D.G. Molloy
Regional Marketing Director –
Individual Sales
Atlantic Canada

J.N.H. Munro, FLMI, CLU
Manager, Agency

D. Otmar
Regional Marketing Director –
Individual Sales
Central Region

W.W. Sawyer
Divisional Manager
Special Services Division
Western Canada

D.L. Schindle
Regional Marketing Director –
Individual Sales
Western Canada

N.J. Gillan, FLMI **Vice President and Director of Individual Administration**

J.R. Boudreau, FLMI
Chief User Manager

R.V. Timmins, AALU
Manager, Individual
Underwriting

R.E. Wornell, FLMI
Manager, Individual
Accounting

T.G. Zive
Manager, Client Services

T.D.M. Hardy **Director of Corporate Services**

E.N. Blinn, CDP, FLMI
Data Base Administrator

J.M. Flynn, FLMI
Manager, Data Processing

W.K. Hamilton
Manager, Central Services

K.H. Leak
Manager, Systems Development

J.P. Lynch
Corporate Trainer

K.A. Mader, FCA **Vice President and Treasurer**

N.S. Cousens
Accountant and Assistant
Corporate Secretary

W.G. Patterson, FLMI
Investment Comptroller
E.C. Risley, FSA, FCIA, FLMI
Manager, Corporate Actuarial
H.B.A. Russell
Investment Associate

Medical Consultants

C.A. Gordon, MD, CM,
FRCP(c), FACP, FCCP, FACC
Medical Director

S.T. Laufer, MD, FRCP(c),
FACP, FACC
Senior Medical Consultant

D.C.T. MacIntosh, DDS
Dental Consultant

P.D. Roy, MD
Medical Advisor, Claims

J.W. Stewart, MD, FRCP(c)
Medical Consultant

I. Yachnin, MD, FRCP(c)
Regional Medical Consultant

Consulting Actuary

B.L. Burnell, FIA, FCIA, ASA



Board of Directors



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Chairman of the Board

Former President
National Sea Products Ltd.

George B. Robertson, Q.C.
Halifax, Nova Scotia
Vice Chairman of the Board

Senior Partner
McInnes, Cooper & Robertson

Stephen L. Brown
Boston, Massachusetts
Senior Vice President
and Treasurer
The John Hancock Mutual Life
Insurance Company

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Moncton, New Brunswick
Senior Partner
H. R. Cohen

R. Ross Craig
Hamilton, Ontario
Executive Vice President —
Commercial,
Dominion Foundries
and Steel, Ltd.

**Reva D. Gerstein, C.M., Ph.D.,
L.L.D., D.Litt.**
Toronto, Ontario
Psychologist and Educator

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Halifax, Nova Scotia
President and
Chief Executive Officer
The Maritime Life Assurance
Company

John T. Longmoore
Boston, Massachusetts
Vice President
The John Hancock Mutual Life
Insurance Company

Arthur R. Lundrigan
Corner Brook, Newfoundland
President and
Chief Executive Officer
Lundrigan's Limited

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Halifax, Nova Scotia
Chairman of the Board
MacCulloch & Company Ltd.

Donald McInnes, Q.C.
Halifax, Nova Scotia
Senior Partner
McInnes, Cooper & Robertson

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Montreal, Quebec
Corporate Director

Philip H. Peters
Boston, Massachusetts
Executive Vice President,
Group Operations
The John Hancock Mutual
Life Insurance Company

Paul R. Weaver
Boston, Massachusetts
Executive Vice President,
Individual Operations
The John Hancock Mutual
Life Insurance Company

Honorary Directors

W. H. C. Schwartz
Halifax, Nova Scotia
Honorary Chairman of the Board

Chairman of the Board
W.H. Schwartz and Sons Limited

**Bernard Lockwood, F.F.A.,
F.C.I.A., A.I.A.**
Halifax, Nova Scotia
Former Vice President and
General Manager
The Maritime Life Assurance
Company

